

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7221**

**BILL NUMBER:** SB 375

**NOTE PREPARED:** Jan 7, 2009

**BILL AMENDED:**

**SUBJECT:** Sale of Department of Correction Real Property.

**FIRST AUTHOR:** Sen. Waterman

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** The bill establishes the Industry and Farm Program Endowment Fund.

It provides that the fund consists of: (1) the proceeds of the sale of surplus Department of Correction (DOC) farm property; (2) donations made to the fund; and (3) interest that accrues to the fund.

The bill provides that interest in the fund may be used to acquire, develop, and renovate the DOC's agricultural facilities and enterprises. It annually appropriates to the DOC the amount of interest income in the fund for the purposes of the fund.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** Sale of farm property will be placed in a dedicated fund, the Industry and Farm Program Endowment Fund, established under the bill. This could result in money not being deposited in the state General Fund or other separate funds. The actual amount of funding that would result for the fund cannot be estimated.

*Industry and Farm Program Endowment Fund:* The fund will not revert to the state General Fund at the end of the year. The DOC will administer the fund and use the interest to acquire, develop, and renovate the DOC's agricultural facilities and enterprises.

**Background:** Under current law, proceeds (money received less expenses) from the sale of state property are credited to the fund from which the property was purchased. If the purchasing fund cannot be identified, the money is credited as directed by the Budget Agency, usually to the state General Fund.

The following DOC real farm properties were sold as of October 2008.

<b>Property</b>	<b>Acreage</b>	<b>Sales Price</b>	<b>Closing Date</b>
Cooper Farm Putnam County	59	\$239,880.00	12/18/06
Zaring Ranch Putnam County	200.77	\$600,000.00	12/18/06
West Farm Porter County	65.5	\$195,000.00	January, 2007

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Karen Firestone, 317-234-2106.